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FINANCIAL SECTION
REQUIRED SUPPLEMENTAL SCHEDULES

REQUIRED SUPPLEMENTAL SCHEDULE OF FUNDING PROGRESS — PENSION TRUST FUNDS

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(Dollars in Millions)

Actuarial Valuation Date	Actuarial Value of Assets (1)	Actuarial Accrued Liability (AAL) - Entry Age (2)	Unfunded AAL (UAAL) (Funding Excess) (2)-(1)	Funded Ratio - Actuarial Value of Assets Basis (1)/(2)	Annual Covered Payroll (3)	UAAL as a % of Covered Payroll [(2)-(1)]/(3)	Market Value of Assets (4)	Funded Ratio - Market Value of Assets Basis ¹ (4)/(2)
PERF								
6/30/02	\$156,067	\$163,961	\$7,894	95.2%	\$32,873	24.0%	\$142,455	86.9%
6/30/03	158,596	180,922	22,326	87.7	34,784	64.2	144,330	79.8
6/30/04	169,899	194,609	24,710	87.3	35,078	70.4	167,110	85.9
6/30/05	183,680	210,301	26,621	87.3	36,045	73.9	189,103	89.9
6/30/06	199,033	228,131	29,098	87.2	38,047	76.5	211,188	92.6
6/30/07	216,484	248,224	31,739 ²	87.2	40,864	77.7	251,162	101.2
LRF⁴								
6/30/07	\$141.603	\$101.571	\$(40.032)	139.4%	\$2.106	-1901.0%	\$142.209	140.0%
JRF I⁴								
6/30/07	\$11.672	\$2,713.640	\$2,701.968	0.4%	\$119.274	2265.3%	\$11.672	0.4%
JRF II								
6/30/02	71.929	76.459	4.530	94.1%	72.8	6.2%	65.390	85.5%
6/30/03	96.107	105.116	9.009	91.4	87.3	10.3	90.714	86.3
6/30/04	129.153	137.704	8.551	93.8	99.0	8.6	129.316	93.9
6/30/05	167.556	177.761	10.205	94.3	111.8	9.1	171.875	96.7
6/30/06	212.904	220.135	7.231	96.7	125.3	5.8	218.987	99.5
6/30/07	267.604	294.983	27.378	90.7	156.3	17.5	290.733	98.6
CERBTf⁵								
6/30/07	\$11.4	\$23.6	\$12.2	48.3%	\$37.1	32.8%	\$11.4	48.3%
6/30/08 ³	48.4	4,845.0	4,796.6	1.0	5,091.9	94.2	48.4	1.0

Notes:

- ¹ The funded ratio based on the market value of assets is the true measure of the plan's ability to pay benefits.
- ² The Unfunded Actuarial Accrued Liability (the total Actuarial Liability in excess of actuarial value of assets) of the PERF by major employer group from the June 30, 2007 valuation is as follows: 1) \$16,938 for the State of California, 2) \$3,190 for schools, and 3) \$11,611 for public agencies.
- ³ The June 30, 2008 financial reporting is based on a total of 72 individual actuarial valuations with valuation dates ranging from January 1, 2006, to June 30, 2008. As a result, the asset values in this schedule will not equal the asset values on June 30, 2008.
- ⁴ LRF and JRF I are funded using the Aggregate Actuarial Cost Method. The Aggregate Cost Method does not identify actuarial accrued liabilities and funded ratios. For this reason, no funding progress information is available for both LRF and JRF I prior to June 30, 2007. Beginning with the June 30, 2007 actuarial valuation, CalPERS is complying with GASB Statement 50 which requires the funding progress to be disclosed using the Entry Age Actuarial Cost Method.
- ⁵ Only two years of funding progress information is shown because the CERBTf did not exist prior to the 2006-07 fiscal year.

REQUIRED SUPPLEMENTAL SCHEDULE OF EMPLOYER CONTRIBUTIONS — PENSION TRUST FUNDS

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Year Ended June 30	PERF Employer Contributions		LRF Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
2003	1,925,043,858	100	— ¹	N/A
2004	4,261,347,422	100	— ¹	N/A
2005	5,774,120,281	100	— ¹	N/A
2006	6,095,029,424	100	— ¹	N/A
2007	6,442,383,867	100	— ¹	N/A
2008	7,242,802,002	100	— ¹	N/A

Note:

¹ Based on the June 30, 2006, 2005, 2004, 2003, 2002, 2001, actuarial valuations, the annual required contributions for the years ended June 30, 2008, 2007, 2006, 2005, 2004, 2003 were \$0.

REQUIRED SUPPLEMENTAL SCHEDULE OF EMPLOYER CONTRIBUTIONS —
PENSION TRUST FUNDS (continued)

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Year Ended June 30	JRF Employer Contributions		JRF II Employer Contributions		CERBTf Employer Contributions	
	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made	Annual Required Contribution	% of Required Contributions Made
2003	\$189,781,088	51.9%	\$16,640,312	92.1%	—	—
2004	194,487,295	55.2	18,207,531	100.2	—	—
2005	189,949,846	66.9	22,819,881	92.9	—	—
2006	194,927,817	61.9	25,477,158	94.5	—	—
2007	560,879,874 ¹	23.4	28,506,356	94.9	\$2,320,693	494.2%
2008	623,532,045	26.2	31,673,544	116.1	450,827,057 ²	174.5%

Note:

¹ Prior to fiscal year 2007 a variation of the Aggregate Cost Method was used to determine the ARC. Effective fiscal year 2007 the Traditional Aggregate Cost Method was used to determine ARC.

² The 2007-08 contributions made toward the ARC excludes \$48.9 million that was contributed to the CERBTf but was treated as pre-existing assets for purposes of calculating the ARC.

The table on the next page illustrates how the HCF earned revenues and investment income compared to related costs of loss and other expenses assumed by the HCF as of the end of each of the years presented. The rows of the table are defined as follows.

- 1) This line shows the total of each fiscal year’s earned premium revenues and investment revenues.

2) This line shows each fiscal year’s other operating costs of the HCF, including overhead and claims expense not allocable to individual claims.

3) This line shows the HCF’s incurred claims and allocated claim adjustment expenses (both paid and accrued) as originally reported at the end of the first year in which the event that triggered coverage under the contract occurred (called policy year).
- 4) This section shows the cumulative amounts paid as of the end of successive years for each policy year.

5) This section shows how each policy year’s incurred claims changed as of the end of successive years. This annual re-estimation results from new information received on known claims, as well as emergence of new claims not previously known.

6) This line compares the latest re-estimated incurred claims amount to the amount originally established (line 3) and shows whether this latest estimate of claims cost is greater or less than originally thought. As data for individual policy years mature, the correlation between original estimates and re-estimated amounts is commonly used to evaluate the accuracy of incurred claims currently recognized in less mature policy years.

REQUIRED SUPPLEMENTAL SCHEDULE OF CLAIMS DEVELOPMENT INFORMATION

(continued)

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Public Employees' Health Care Fund — June 30, 2008

(Dollars in Thousands)

	Fiscal & Policy Year Ended			
	1999	2000	2001	2002
1. Net Earned Required Premium & Investment Revenues	\$396,255	\$472,233	\$581,015	\$747,491
2. Unallocated Expenses	\$37,869	\$35,780	\$41,180	\$43,926
3. Estimated Incurred Claims & Expenses, End of Policy Year	\$402,578	\$537,181	\$599,337	\$684,425
4. Paid (Cumulative) as of:				
End of Policy Year	\$327,336	\$443,109	\$495,466	\$562,894
One Year Later	373,345	498,607	554,361	628,405
Two Years Later	373,345	498,607	554,361	628,405
Three Years Later	373,345	498,607	554,361	628,405
Four Years Later	373,345	498,607	554,361	628,405
Five Years Later	373,345	498,607	554,361	628,405
Six Years Later	373,345	498,607	554,361	628,405
Seven Years Later	373,345	498,607	554,361	—
Eight Years Later	373,345	498,607	—	—
Nine Years Later	373,345	—	—	—
5. Re-estimated Incurred Claims & Expenses:				
End of Policy Year	\$402,578	\$537,181	\$599,337	\$684,425
One Year Later	373,345	498,607	554,361	628,405
Two Years Later	373,345	498,607	554,361	628,405
Three Years Later	373,345	498,607	554,361	628,405
Four Years Later	373,345	498,607	554,361	628,405
Five Years Later	373,345	498,607	554,361	628,405
Six Years Later	373,345	498,607	554,361	628,405
Seven Years Later	373,345	498,607	554,361	—
Eight Years Later	373,345	498,607	—	—
Nine Years Later	373,345	—	—	—
6. Decrease in Estimated Incurred Claims & Expenses From End of Policy Year	(\$29,233)	(\$38,574)	(\$44,976)	(\$56,020)

(continued)

Public Employees' Health Care Fund — June 30, 2008

Fiscal & Policy Year Ended					
2003	2004	2005	2006	2007	2008
\$947,492	\$1,048,042	\$1,115,172	\$1,229,239	\$1,410,888	\$1,543,643
\$50,296	\$58,182	\$65,902	\$67,679	\$74,771	\$78,607
\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438
\$722,732	\$807,627	\$923,608	\$1,043,346	\$1,094,818	\$1,197,390
800,605	883,550	1,012,021	1,146,876	1,197,334	
800,605	883,550	1,012,021	1,146,876	—	
800,605	883,550	1,012,021	—	—	
800,605	883,550	—	—	—	
800,605	—	—	—	—	
—	—	—	—	—	
—	—	—	—	—	
—	—	—	—	—	
—	—	—	—	—	
\$854,648	\$940,503	\$1,083,011	\$1,202,409	\$1,268,239	\$1,385,438
800,605	883,550	1,012,021	1,146,876	1,197,334	
800,605	803,550	1,012,021	1,146,876	—	
800,605	803,550	1,012,021	—	—	
800,605	803,550	—	—	—	
800,605	—	—	—	—	
—	—	—	—	—	
—	—	—	—	—	
—	—	—	—	—	
—	—	—	—	—	
(\$54,043)	(\$56,953)	(\$70,990)	(\$55,533)	(\$70,906)	

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